

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

Controlling officer: the Controller, Student Financial Assistance Agency will account for expenditure under this Head.

Estimate 2013–14..... **\$5,016.3m**

Establishment ceiling 2013–14 (notional annual mid-point salary value) representing an estimated 603 non-directorate posts as at 31 March 2013 rising by 68 posts to 671 posts as at 31 March 2014 **\$216.4m**

In addition, there will be two directorate posts as at 31 March 2013 and as at 31 March 2014.

Commitment balance **\$2,702.6m**

Controlling Officer's Report

Programme

Student Assistance Scheme

This programme contributes to Policy Area 16: Education (Secretary for Education) and Policy Area 34: Manpower Development (Secretary for Labour and Welfare).

Detail

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	4,085.4	4,743.0	4,598.2 (–3.1%)	5,016.3 (+9.1%)
				(or +5.8% on 2012–13 Original)

Aim

2 The aim is to administer efficiently and cost-effectively various student financial assistance schemes, scholarships and merit award schemes.

Brief Description

3 The Agency provides publicly-funded financial assistance in the form of grants and loans to students of different levels and administers privately-donated and publicly-funded scholarship schemes. The scholarships, merit awards and related schemes include the Sir Edward Youde Memorial Fund Scholarships, scholarships under the Education Scholarships Fund and Scholarship for Prospective English Teachers. Financial assistance disbursed by the Agency takes the form of:

- means-tested grants and loans# under the Tertiary Student Finance Scheme - Publicly-funded Programmes (TSFS) for eligible full-time students of publicly-funded institutions, i.e. University Grants Committee-funded institutions, the Hong Kong Institute of Vocational Education and Hong Kong Design Institute of the Vocational Training Council, the Hong Kong Academy for Performing Arts and the Dental Technology Course of the Prince Philip Dental Hospital;
- means-tested grants and loans# under the Financial Assistance Scheme for Post-secondary Students (FASP) for eligible full-time students aged 30 or below pursuing locally-accredited, self-financing post-secondary education programmes;
- non-means-tested loans# for eligible students of publicly-funded institutions, eligible students pursuing locally-accredited self-financing post-secondary programmes, and eligible students pursuing specific part-time and full-time post-secondary and continuing and professional education courses provided in Hong Kong;
- means-tested allowances under the Student Travel Subsidy Scheme (STSS) for needy students who receive formal primary or secondary education or attend a full-time day course up to the degree level, provided that these students live beyond ten minutes' walking distance from their schools;
- means-tested fee remission under the Examination Fee Remission Scheme (EFRS) for needy school candidates taking public examinations conducted or administered by the Hong Kong Examinations and Assessment Authority;
- means-tested grants under the School Textbook Assistance Scheme (STAS) for needy students in public sector schools and local private schools under the Direct Subsidy Scheme;
- means-tested grants under the Subsidy Scheme for Internet Access Charges (SIA)λ for low-income families with children who are full-time students receiving education at primary or secondary level;

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- means-tested fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS) for needy children attending kindergartens and child care centres;
- tuition fee reimbursement under the Continuing Education Fund (CEF) for eligible persons pursuing continuing education and training in specified sectors;
- tuition fee reimbursement under the Yi Jin Diploma (YJD)[¶], a new programme introduced in the 2012/13 academic year upon the lapse of the former Project Yi Jin (PYJ), for eligible students taking modules under YJD to gain a formal qualification for employment and continuing education; and
- tuition fee reimbursement under the Financial Assistance Scheme for Designated Evening Adult Education Courses (FAEAEC) for eligible students attending designated evening secondary courses.

Loans disbursed under these schemes are provided under the Loan Fund. Details are provided in Volume II.

λ Families with children who are full-time students receiving education at primary or secondary level and who are in receipt of the flat-rate grant for School-related Expenses under the Comprehensive Social Security Assistance Scheme are also eligible for subsidy under SIA, which is disbursed by the Social Welfare Department. The expenditure is funded under Head 173.

¶ The expenditure on fee reimbursement is funded under Head 156—Government Secretariat: Education Bureau *Subhead 700 General non-recurrent* Item 839 Yi Jin Diploma.

4 The Agency is responsible for assessing the eligibility of applicants under the Pre-primary Education Voucher Scheme (PEVS). The actual redemption of pre-primary education vouchers is processed by the Education Bureau and the expenditure is funded under Head 156—Government Secretariat: Education Bureau *Subhead 000 Operational expenses*.

5 The key performance measures are:

Targets

	Target Processing Time for Applications ^Ψ	Academic Year		
		2011/12 (Actual)	2012/13 (Revised Estimate)	2013/14 (Estimate)
TSFS				
application for financial assistance (%)	60 days	98	98	98
application for review of financial assistance (%)	70 days	100	100	100
FASP				
application for financial assistance (%)	60 days	96	98	98
application for review of financial assistance (%)	70 days	100	100	100
Non-means-tested Loan Schemes (NLS) (%)				
KCFRS (%)	21 days	100	99	99
CEF (%)	2 months	99.9	99.9	99.9
Financial assistance for primary and secondary school students (eligibility assessment) (%) [^]	2 weeks	99	99	99
PEVS (eligibility assessment) (%)	3 months	100	100	100
	6-8 weeks	99.9	99.9	99.9

^Ψ Target processing time is subject to submission of complete supporting documents by the applicants.

[^] Financial assistance for primary and secondary school students comprises STSS (also for full-time post-secondary students), EFRS, STAS, SIA, FAEAEC, YJD and former PYJ.

Indicators

	Academic Year		
	2011/12 (Actual)	2012/13 (Revised Estimate)	2013/14 (Estimate)
TSFS			
no. of applications	29 210	34 700	35 074
funds disbursed (\$m) (including grants and loans)	1,184.2	1,408.1	1,423.3
no. of applications/post	151	170	167

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	<i>Academic Year</i>		
	2011/12 (Actual)	2012/13 (Revised Estimate)	2013/14 (Estimate)
FASP			
no. of applications.....	27 760	33 371	37 603
funds disbursed (\$m) (including grants and loans)	1,228.4	1,486.9	1,722.6
no. of applications/post.....	162	192	204
NLS			
no. of applications.....	28 847	37 911	41 424
funds disbursed (\$m) (loans)	1,093.4	1,260.5	1,407.1
no. of applications/post.....	143	182	202
KCFRS			
no. of applications.....	38 972	40 811	41 651
funds disbursed (\$m)	399.5	448.1	485.5
no. of applications/post.....	866	949	968
Scholarships, Merit Awards and related Schemes			
no. of applications.....	8 768	5 558	5 669
no. of scholarships, grants and awards granted.....	6 717	4 355	4 278
amount of scholarships, grants and awards disbursed (\$m).....	27.0	30.5	33.1
no. of applications/post.....	438	327	315
CEFA^Δ			
no. of applications.....	42 638	42 018	45 195
funds disbursed (\$m)	247.4	226.0	262.0
no. of applications/post.....	948	913	983
Financial assistance for primary and secondary school students			
no. of family-based applications	219 373	203 313	196 984
no. of applications/post.....	1 002	950	908
EFRS			
no. of applications.....	39 124	31 921	30 367
funds disbursed (\$m)	75.1	65.9	62.5
SIA			
no. of family-based applications	186 430	175 269	170 699
funds disbursed (\$m)	186.5	175.5	171.0
STAS			
no. of applications.....	285 278	264 123	255 586
funds disbursed (\$m)	657.2	649.6	635.7
STSS^θ			
no. of applications.....	244 661	240 397	235 996
funds disbursed (\$m)	416.8	439.0	434.6
YJD[@]			
no. of applications.....	7 558	8 645	11 866
funds disbursed (\$m)	42.6	85.9	117.9
no. of applications/post.....	2 519	2 882	3 955
FAEAEC^φ			
no. of applications.....	831	613	613
funds disbursed (\$m)	3.6	3.1	3.1
no. of applications/post.....	416	307	307
PEVS^γ			
no. of applications.....	50 398	51 735	52 978
no. of Certificates of Eligibility for the PEVS issued.....	50 030	51 357	52 591
voucher value involved (\$m)	736.1	862.8	883.5
no. of applications/post.....	1 292	1 398	1 394

^Δ The CEF is open to applications throughout the year. The figures shown here relate to financial rather than academic years.

^θ Number of applications include applications of primary and secondary school students as well as post-secondary students.

[@] The figures for the 2011/12 academic year refer to the former PYJ. Since financial assistance for YJD or PYJ is disbursed on a reimbursement basis, the number of applications received and funds disbursed for students of the 2011/12 academic year are provisional figures only as reimbursement applications are still being processed.

^φ Financial assistance for FAEAEC is disbursed on a reimbursement basis. The number of applications received and funds disbursed for students of the 2011/12 academic year are provisional figures only as reimbursement applications are still being processed.

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γ Holders of the Certificate of Eligibility for PEVS need not re-apply for PEVS within the specific validity period. The indicators above include the number of Certificates of Eligibility for PEVS issued and voucher value involved for first-time applicants. The voucher value involved for the 2011/12 academic year reflects the actual amount of subsidy redeemed, which is less than the maximum amount redeemable for the year because not all Certificates issued in the year were presented for voucher redemption.

6 In the 2011/12 academic year, around 990 000 applications were received for processing under the various student financial assistance schemes. The Agency was generally able to process all applications with complete information within the timeframe as pledged.

Matters Requiring Special Attention in 2013–14

7 During 2013–14, the Agency will continue to:

- provide efficient and quality services to students under various student financial assistance schemes;
- step up efforts to recover student loans in arrears and tackle the default problem; and
- develop the Integrated Student Financial Assistance System to support the administration of all student financial assistance schemes as well as scholarships and merit award schemes, with a view to improving the operational efficiency and effectiveness of the Agency in the administration and delivery of these schemes.

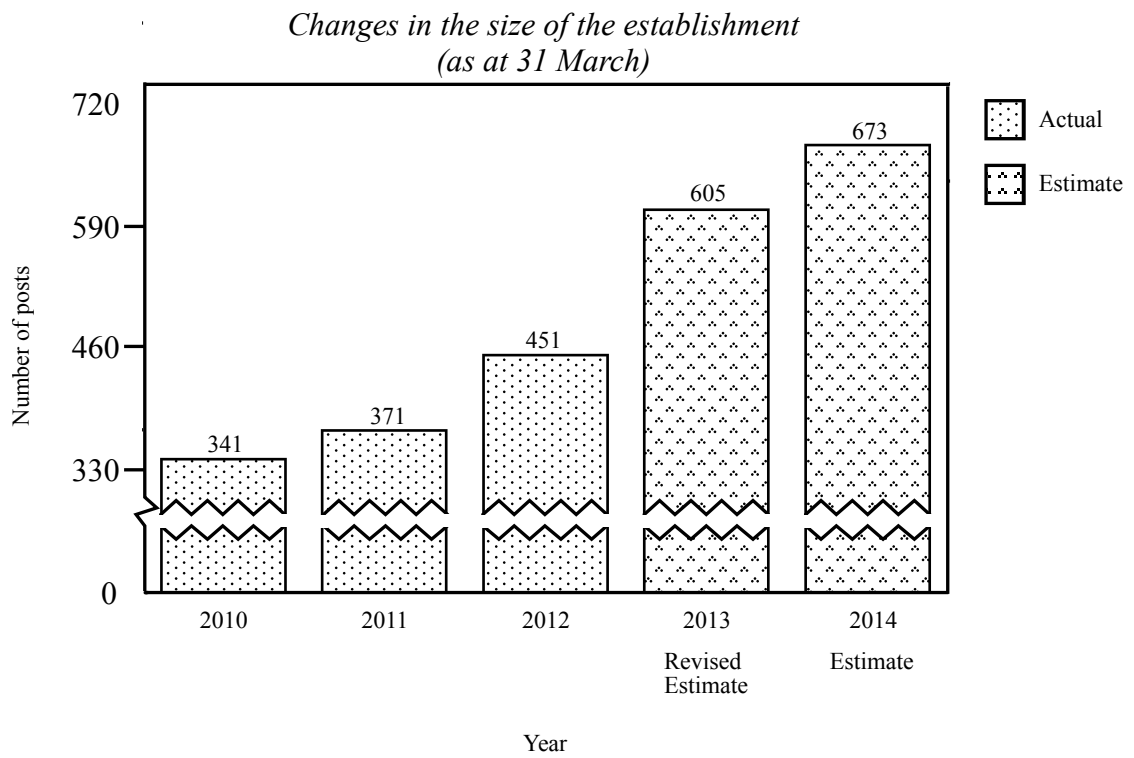
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ANALYSIS OF FINANCIAL PROVISION

Programme	2011–12 (Actual) (\$m)	2012–13 (Original) (\$m)	2012–13 (Revised) (\$m)	2013–14 (Estimate) (\$m)
Student Assistance Scheme	4,085.4	4,743.0	4,598.2 (–3.1%)	5,016.3 (+9.1%)
				(or +5.8% on 2012–13 Original)

Analysis of Financial and Staffing Provision

Provision for 2013–14 is \$418.1 million (9.1%) higher than the revised estimate for 2012–13. This is mainly due to the increased provision for additional civil service posts to meet operational needs, fee remission under KCFRS and disbursement of grants under FASP and STSS, partly offset by the reduced provision for the disbursement of financial assistance under STAS and SIA.



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Sub-head (Code)		Actual expenditure 2011-12	Approved estimate 2012-13	Revised estimate 2012-13	Estimate 2013-14
		\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	247,335	297,568	290,568	338,653
228	Student financial assistance.....	3,569,099	4,065,661	4,072,003	4,402,877
	Total, Recurrent	<u>3,816,434</u>	<u>4,363,229</u>	<u>4,362,571</u>	<u>4,741,530</u>
Non-Recurrent					
700	General non-recurrent	268,973	379,722	235,651	274,764
	Total, Non-Recurrent	<u>268,973</u>	<u>379,722</u>	<u>235,651</u>	<u>274,764</u>
	Total, Operating Account.....	<u>4,085,407</u>	<u>4,742,951</u>	<u>4,598,222</u>	<u>5,016,294</u>
<hr/>					
	Total Expenditure	<u><u>4,085,407</u></u>	<u><u>4,742,951</u></u>	<u><u>4,598,222</u></u>	<u><u>5,016,294</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2013–14 for the salaries and expenses of the Student Financial Assistance Agency is \$5,016,294,000. This represents an increase of \$418,072,000 over the revised estimate for 2012–13 and of \$930,887,000 over actual expenditure in 2011–12.

Operating Account

Recurrent

2 Provision of \$338,653,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Student Financial Assistance Agency. The increase of \$48,085,000 (16.5%) over the revised estimate for 2012–13 is mainly due to the additional civil service posts to be created to meet operational needs, partly offset by the reduced provision for employment of temporary staff.

3 The establishment as at 31 March 2013 will be 605 permanent posts. It is expected that there will be an increase of 68 permanent posts in 2013–14. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2013–14, but the notional annual mid-point salary value of all such posts must not exceed \$216,429,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2011–12 (Actual) (\$'000)	2012–13 (Original) (\$'000)	2012–13 (Revised) (\$'000)	2013–14 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	115,541	151,256	149,302	195,108
- Allowances	1,822	2,277	2,097	2,277
Personnel Related Expenses				
- Mandatory Provident Fund contribution	468	440	1,429	1,262
- Civil Service Provident Fund contribution	881	1,282	1,514	2,392
Departmental Expenses				
- General departmental expenses	128,623	142,313	136,226	137,614
	247,335	297,568	290,568	338,653

5 Provision of \$4,402,877,000 under *Subhead 228 Student financial assistance* is for the payment of student financial assistance under various schemes to students at all levels of study in meeting their education expenses, such as tuition and examination fees, textbooks, Internet access charges and other academic and travel expenses. The increase of \$330,874,000 (8.1%) over the revised estimate for 2012–13 is mainly due to the increased provision for fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme arising from an anticipated increase in the number of applications and projected increase in the fee remission ceilings, increased provision for disbursement of grants under the Financial Assistance Scheme for Post-secondary Students and Student Travel Subsidy Scheme arising from an anticipated increase in the population of post-secondary students in the self-financing sector, partly offset by the reduced provision for the disbursement of financial assistance under the School Textbook Assistance Scheme and the Subsidy Scheme for Internet Access Charges due to an estimated drop in the population of secondary students.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2012	Revised estimated expenditure for 2012–13	Balance
			<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund	6,200,000	3,261,800	235,600	2,702,600
		Total	<u>6,200,000</u>	<u>3,261,800</u>	<u>235,600</u>	<u>2,702,600</u>